

CHAIRMAN'S ADDRESS 2021 AGM

28 October, 2021

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2021 Annual General Meeting for Sunstone Metals Limited ('Sunstone' or 'Company').

I note that Malcolm Norris, our Managing Director, will be presenting an update on our activities at the end of today's meeting but before we get underway with the formal agenda there are a few points that I wanted to highlight.

Sunstone, like most companies, has been impacted by COVID-19 and I am quite proud of the way that the Company has managed our activities during this global pandemic. We continue our activities, under strict operating procedures to responsibly manage the risks associated with COVID-19 and to ensure that we do not compromise local health and safety. Importantly, with these procedures in place, we are able to move forward with significant exploration programs and this included a considerable amount of drilling at our Bramaderos project in Southern Ecuador and the commencement of drilling at the highly prospective El Palmar Copper-Gold Porphyry project in northern Ecuador which was acquired during the year.

At El Palmar strong first assays were announced in October 2021 confirming a significant copper-gold porphyry discovery with very wide intersections of gold and copper mineralisation from surface in the first hole and a significant wide interval of higher grade gold and copper in the second hole where we have only received part assays. Drilling is ongoing and further assays are pending. We look forward to providing updates on this exciting new discovery as results are received.

El Palmar is located in northern Ecuador in the vicinity of the 1.0Bt Llurimagua copper-molybdenum porphyry deposit, and in the same regional structural belt that hosts the 2.6Bt Alpala copper-gold deposit within the Cascabel project.

The ongoing drill programs at the Brama porphyry target continue to deliver good broad gold-copper intervals highlighting the potential for Brama to host a substantial gold-copper porphyry system.

Our cash and equity investment positions remain strong. At the end of the September Quarter the Company held ~42M shares in Copperstone valued at ~\$8.7M and had cash of \$13.2M giving us the ability to significantly expand our exploration activities as further positive results are received from El Palmar and Bramaderos.

In closing, I would like to take this opportunity to express my thanks to Sunstone's staff, management and my fellow directors for their dedication and work during the past 12 months. We are committed to delivering strong shareholder returns and growing the Company through its activities in Ecuador, and realising value from the investment in shares held in Copperstone.

Yours sincerely

Graham Ascough

Chairman, Sunstone Metals Limited